

REMARKS

This Application has been carefully reviewed in light of the Office Action mailed August 5, 2005 ("Office Action"). At the time of the Office Action, Claims 1-39 were pending in the application. In the Office Action, the Examiner rejects Claims 1-39. Applicant amends Claims 8 and 18. Applicant respectfully requests reconsideration and favorable action in this case.

Section 101 Rejections

The Examiner rejects Claims 21-28 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Applicant respectfully traverses this rejection of Claims 21-28 and requests reconsideration and favorable action.

As the basis for the Examiner's finding that Applicant's Claim 21 is directed to non-statutory subject matter, the Examiner states that "some steps do not indicate any connection to a computer or technology." (Office Action, pages 5-6). The Examiner provides no authority, however, indicating that each step within a claim must have a connection to a computer or technology. Applicant reiterates the standard for defining patentable subject matter that was summarized by Applicant in the previous Response to Office Action mailed on May 24, 2005. In particular, Applicant directs the Examiner's attention to the Federal Circuit's finding in *In re Musgrave* that "a method or process remains statutory even if **some or all** of the steps therein can be performed in the human mind, with the aid of the human mind, or because it may be necessary for one performing the method or process to think." *See In re Musgrave*, 431 F.2d 882, 893, 167 U.S.P.Q. 280, 289 (CCPA 1970) (cited by the Federal Circuit in *AT&T Corp.*, 172 F.3d at 1356) (*emphasis added*). Thus, the test defining statutory subject matter is not whether some of the steps are performed without a computer but rather whether the steps produce a useful, concrete, and tangible result according to *State Street* and other applicable case law.

Applicant believes Claims 21-28 recite allowable subject matter as originally submitted. Applicant disagrees that Applicant's recitation of "using a public communication network to access, from a local returns site, a returns manager system that stores a return policy of the off-site retailer" (as recited in Claim 21) is a trivial use of technology. To the

contrary, in addition to the above recited language, Claim 21 also recites “validating the return by determining that the return guidelines are met by the returned item.” Thus, the return guidelines that are accessed using a public communication network are used to validate the return. Thus, Applicant respectfully submits that independent Claim 21 produces a useful, concrete, and tangible result and that using a public communications network is one practical application of Claim 21.

Furthermore, the M.P.E.P. states:

The applicant is in the best position to explain why an invention is believed useful. Office personnel should therefore **focus their efforts** on point out **statements made in the specification** that identify all practical applications for the invention. Office personnel should rely on such statements throughout the examination when assessing the invention for compliance with all statutory criteria. An applicant may assert more than one practical application, but only one is necessary to satisfy the utility requirement.

M.P.E.P. § 2106 (*emphasis added*).

Applicant respectfully submits that Claims 21-28 each produce a useful, concrete, and tangible result. As one example, the specification of the pending Application provides:

An advantage of the invention is that it provides an efficient “reverse logistics business process”. The process eliminates unnecessary shipping and handling of returned products. Using the internet and a set of pre-determined process rules, de-centralized handling of product returns can direct product returns to the least costly method of disposal.

Specification, page 5, lines 1-7. Thus, Applicant’s specification also asserts at least one practical application of Applicant’s invention and identifies the advancement of the technical arts.

For at least the reasons discussed above, Applicant respectfully requests that Examiner's rejection of Claims 21-28 under 35 U.S.C. § 101 be withdrawn.

Section 112 Rejections

The Examiner rejects Claims 8 and 18 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Applicant has amended Claims 8 and 18 to improve the clarity of the claims. Accordingly, Applicant respectfully submits that Claims 8 and 18 are in accordance with 35 U.S.C. § 112, second paragraph.

For at least the reasons discussed above, Applicant respectfully requests that Examiner's rejection of Claims 8 and 18 under 35 U.S.C. § 112 be withdrawn.

Section 103 Rejections

The Examiner rejects Claims 1-39 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,085,172 issued to Junger ("*Junger*") in view of U.S. Patent Application No. 6,536,659 issued to Hauser et al. ("*Hauser*"). Applicant respectfully traverses these rejections for the reasons stated below.

Applicant's Claims are Allowable over the Cited References

First, Applicant respectfully submits that even if the combination of references is proper, which Applicant disputes below, the combination of references does not disclose, teach, or suggest each and every feature of Applicant's claims. For example, independent Claim 1, of the present application, recites as follows:

A method of using a public communications network to manage the return of an item purchased by a consumer from a remote direct merchandiser, comprising the steps of:

receiving a first communication at a returns manager system, the first communication comprising return request data from a local returns site;

providing a second communication from the returns manager system to the local returns site, the second communication comprising return validation data having at least a return validation code;

validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site, the pre-authorization code obtained by the consumer and indicating prior

approval of the return by a remote direct merchandiser from whom the item was purchased; and
crediting an account of the consumer for a return value of the returned item after validating the return;
wherein the first and second communications are communicated using a public communications network

In the Office Action, the Examiner relies on *Junger* for disclosure of “validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site” and on *Hauser* for disclosure of “the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased,” as recited in Applicant’s Claim 1.

Applicant has shown in the previous Response to Office Action, however, that *Junger* merely discloses a system and method for handling product returns by which a retailer regional warehouse obtains “advance return authorization . . . for a plurality of products at one time.” (Column 4, lines 30-33). As disclosed in *Junger*, the system “includes a return side portion 21 and a manufacturer side portion 23 which are operable to communicate over an internet connection 25.” (Column 4, lines 38-41). Specifically, when “returned products arrive at the regional warehouse 1, they are sorted by manufacturer and/or product.” (Column 3, lines 58-61). Then “the return side portion 21 may access the manufacturer side portion 23 to screen the products for compliance with return requirements and to obtain pre-authorization of the returns.” (Column 5, lines 5-9).

In particular, the return side portion 21 includes a bar code scanner “for scanning barcoded SKU and, possibly, serial numbers for returned products.” (Column 4, lines 55-56). The scanned SKU is then provided to manufacturer side computer 230 who “receives UPC and serial number information for return validation . . . [and] checks the electronic registration database to ensure that the identified product meets product return criteria.” (Column 6, lines 58-64). If the return criteria is met, “the product is pre-approved for return.” (Column 2, lines 49-50). Then, a return authorization number is created and the batch header is updated to indicate the approved status. (Column 8, lines 18-21).

Thus, the disclosed system and method of *Junger* merely allows for the obtainment of a single return authorization number for a batch of items. If the Examiner considers the return authorization number of *Junger* to be analogous to Applicant's return validation code, there is no disclosure in *Junger* of a pre-authorization code. Alternatively, if the Examiner considers the return authorization number of *Junger* to be analogous to Applicant's pre-authorization code, there is no disclosure in *Junger* of a return validation code. Because *Junger* only discloses a "return authorization number," *Junger* cannot be said to disclose, teach, or suggest the step of "validating the return by matching the return validation code with a pre-authorization code . . ." as recited in Claim 1. To the contrary, because *Junger* discloses only a single return authorization number, Applicant's recited operation is necessarily not disclosed.

Even if the Examiner relies on *Hauser* for disclosure of the "pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased," *Hauser* does not cure the deficiencies of *Junger* discussed above. Rather, *Hauser* merely provides that

[C]ustomers are provided with a return authorization shipping label by the central return facility. This label includes a scannable bar code identifying the merchant and the customer. After the merchandise is received at the central returns facility, the scannable bar code is scanned so that the merchandise can be sorted by merchant, and the merchandise is then inspected to determine if the merchandise authorized for return has been received.

(Abstract). Thus, *Hauser* merely uses the return authorization shipping label to sort the merchandise by merchant. Accordingly, *Hauser* also cannot be said to disclose, teach, or suggest "validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site . . .," as recited in Applicant's Claim 1.

The Examiner also relies on the *Junger-Hauser* combination to reject independent Claims 11 and 21. Applicant respectfully submits, however, that the *Junger-Hauser* combination does not disclose, teach, or suggest each and every element of Applicant's

independent Claim 11. For example, Claim 11 recites “validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site, the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased.” As another example, Claim 21 recites “a returns manager system that stores a return policy of the off-site retailer, the return policy comprising one or more return guidelines that must be met to validate a return of the returned item, a one of the one or more return guidelines requiring that preauthorization of the returned item is obtained by the consumer before the returned item is received at the local returns site, the preauthorization indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased.” Thus, for reasons similar to those discussed above with regard to Claim 1, Applicant respectfully submits that neither *Junger* nor *Hauser* disclose, teach, or suggest the combination of elements set forth in Applicant's independent Claims 11 and 21.

The Examiner also relies on the *Junger-Hauser* combination to reject independent Claim 29. Independent Claim 29, in the present Application, recites:

A system for managing a return of merchandise, comprising:
a retailer comprising a remote direct merchandiser from which one or more items may be purchased by a consumer;
a returns manager system communicatively coupled to the retailer over a public communications network, the returns manager system operable to:
 receive a first communication identifying at least an item of merchandise to be returned by the consumer in the future;
 identify the retailer as the remote direct merchandiser from which the at least one returned item was purchased by the consumer; and
 send a second communication to the retailer identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return.

Thus, independent Claim 29 recites a returns manager system that is operable to both “receive a first communication identifying at least an item of merchandise to be returned by the consumer in the future” and “send a second communication to the retailer identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return.”

With respect to each of the recited claim elements, the Examiner relies on *Junger* for disclosure of a portion of the recited claim element and on *Hauser* for disclosure of the other portion of the recited claim element. For example, the Examiner relies on *Junger* for disclosure of receiving a first communication identifying at least an item of merchandise but relies on *Hauser* for disclosure of the item of merchandise being one to be returned by the consumer in the future. Similarly, the Examiner relies on *Junger* for disclosure of sending a second communication to the retailer identifying the item of merchandise but relies on *Hauser* for disclosure of providing the retailer with advance notification of the return. Applicant respectfully submits that such a piecemeal rejection fails to consider the particular combinations of features recited in Applicant's Claim 29. Rather, such a rejection illustrates that the Examiner has merely pieced together disjointed portions of unrelated references to reconstruct Applicant's claims. Because the Examiner has not shown where the recited combination of features are disclosed in either *Junger* or *Hauser*, Applicant submits that the rejection of Claim 40 is improper and should be withdrawn.

Furthermore, Applicant respectfully submits that *Hauser* does not disclose, teach, or suggest "identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return," as recited in Claim 29. To the contrary, *Hauser* discloses that "[a]fter the merchandise is received at the central returns facility, the scannable bar code is scanned so that the merchandise can be sorted by merchant, and the merchandise is then inspected to determine if the merchandise authorized for return has been received." (Abstract). Only then is "the appropriate merchant . . . advised" of the return. (Abstract). By disclosing that the merchant is not advised of the return until it is received at the central returns facility, *Hauser* teaches away from "identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return," as recited in Claim 29.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of independent Claims 1, 11, 21, and 29.

Dependent Claims 2-10, 12-20, 22-28 and 30-39 depend upon independent Claims 1, 11, 21, and 29, respectively, which Applicant has shown above to be allowable. Accordingly, dependent Claims 2-10, 12-20, 22-28, and 30-39 are not obvious over the *Junger-Haseltine* combination at least because Claims 2-10, 12-20, 22-28, and 30-39 include the limitations of their respective independent claims.

Additionally, dependent Claims 2-10, 12-20, 22-28, 30-39 recite elements that further distinguish the art. As an example, Claims 5 and 15 recite “receiving a third communication at the returns manager system, the third communication comprising a request for general returns information **from the consumer**” and “providing a fourth communication from the returns manager system **to the consumer**, the fourth communication comprising data representing general returns information.” As further examples, Claims 6 and 16 further recite that “the third and fourth communications are communicated using a website.” With respect to Claims 5, 6, 15, and 16, the Examiner continues to rely upon *Junger* for disclosure of the recited features and operations. Applicant continues to believe, however, that Applicant’s arguments in the previous Response to Office Action mailed on May 24, 2005, continue to have merit and reiterates them now. Specifically, Applicant submits that *Junger* is intended to be implemented between two intermediary sources of a product. With respect to the customer, *Junger* only discloses that a return is accepted “[w]hen a customer returns a product with a receipt,” “the serial numbers match,” and “all other return conditions are met.” (Column 2, lines 14-18). This occurs, however, at the retail store prior to the shipment of the merchandise to the product return center location. (Column 2, lines 14-26). Thus, even where the Examiner asserts that the “product return center location” of *Junger* is analogous to Applicant’s “returns manager system,” the product return center location of *Junger* does not communicate with the consumer or vice versa. Neither is there any need for such communication between the product return center location and the consumer. The features and operations recited in Claims 5, 6, 15, and 16 are completely absent from the teachings of *Junger*.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 1-39.

The Proposed Combination of *Junger* and *Hauser* is Improper

Second, assuming for purposes or argument that the proposed combination discloses the limitations of Applicant's claims, which Applicant disputes above, it would not have been obvious to one skilled in the art to make the combination. The mere fact that references can be combined does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990). The showing must be clear and particular. *See, e.g., C.R. Bard v. M3 Sys., Inc.*, 48 U.S.P.Q.2d 1225, 1232 (Fed. Cir. 1998). With regard to independent Claims 1, 11, 21 and 29, the Examiner speculates that "it would have been obvious . . . to modify the method of *Junger*, to include the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased, as taught by *Hauser*, in order to provide a more efficient process of returning a merchandise." (Office Action, page 8 citing (*Hauser*, column 2, lines 5-6)). Applicant respectfully submits, however, that the objectives of the respective systems of *Junger* and *Hauser* do not provide a suggestion to combine these two references in the manner suggested by the Examiner.

It is essential to view the invention as a whole, taking each element into account as well as the advantages, properties, utilities, and results of the invention. *In re Chupp*, 816 F.2d 643, 2 U.S.P.Q.2d 1437 (Fed. Cir. 1987). As discussed above, the very principle and purpose of the system disclosed in *Junger* is the provision of a return system between two intermediary sources of a product. Specifically, *Junger* provides a system and method for obtaining batch reimbursement from a manufacturer for a retailer who has previously credited customers for the return of like items. With respect to the customer, *Junger* only discloses that a return is accepted "[w]hen a customer returns a product with a receipt," "the serial numbers match," and "all other return conditions are met." (Column 2, lines 14-18). However, *Junger* assumes that this transaction occurs prior to the receipt of the returned items for processing using the return system of *Junger*.

Conversely, Applicant has shown above that the system disclosed in *Hauser* provides customers of merchants "with a return authorization shipping label" that can then be used to return merchandise to a "central return facility." (Abstract). According to *Hauser*, "a return label is provided to the customer for inclusion with the merchandise being returned."

(Column 2, lines 16-19). The customer then “ships the merchandise being returned to the return facility.” Thus, while the objective of *Junger* is to provide for the processing of retailer returns on a batch-basis in a retailer-manufacturer context, the objective of *Haseltine* is to provide for the processing of customer returns on an item-basis in a retailer-customer context. As a result, the solution proposed in *Junger* is drastically different from the solution proposed in *Hauser*, and one of ordinary skill in the art at the time of invention would not have been motivated to combine the disclosure of *Junger* with the disclosure of *Hauser*.

Furthermore, it is improper for an Examiner to use hindsight having read the Applicant’s disclosure to arrive at an obviousness rejection. *In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). It is improper to use the claimed invention as an instruction manual or template to piece together the teachings of the prior art so that the claimed invention is rendered obvious. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The inconsistencies in *Junger* and *Hauser*, as identified by Applicant above, evidences the Examiners reconstruction of Applicant’s claims by using hindsight to piece together disjointed portions of analogous, but inconsistent references.

For at least these reasons, Applicant respectfully submits that the proposed *Junger-Hauser* combination is improper. Accordingly, the rejection of Applicant’s claims over the proposed *Junger-Hauser* combination should be withdrawn.


CONCLUSION

Applicant has made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicant respectfully requests reconsideration and allowance of the pending claims.

Applicant does not believe any fees are due. However, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicant invites the Examiner to contact its attorney at the number provided below.

Respectfully submitted,
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